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DFD-0618-59
Cy 7 of 7
21 April 1959

MEMORANDUM FOR: Deputy Comptroller

SUBJECT : Possible Impact that USAF Rate Increases will have on Air Section DFD FY-1959 and FY-1960

1. Pursuant to your informal request you are advised that the Air Section of DFD flew 3,672 hours (rounded) at a cost of $707,331.00 during the first half of FY-1959. We calculate flights totaling 3,637 hours during the third and fourth quarter at a calculated cost, using the new rate, of $837,390.00. This shows a deficit for FY-1959 (second quarter) of $130,000.00.

2. I am informed that the Air Section has reduced the number of flight hours for the organization to an absolute minimum and if such is the case, we must expect a deficit during FY-1960 of $260,000.00 provided the rates established, effective 1 January 1959, are not again revised retroactively at some period during fiscal year 1960.

3. Insofar as the Air Section is knowledgeable, the $130,000.00 FY-1959 and the $260,000.00 FY-1960 deficits will be all that are realized by the organization. The Training Office, as you are aware, have certain aircraft under their jurisdiction and they may be somewhat affected by the rate change. In my view, it is unlikely that the Air Section or the Agency will be able to absorb these deficits in either fiscal year.

[redacted]
Comptroller, DFD-AE/P

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CC: 0 & 1 - Add
1 - Acting Chief, DFD
1 - Chief, AIRD, DFD
1 - DFD-Finan [redacted]
1 - Reading (Fin)
1 - Chrono

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